

LONDON LETTER.

FINANCE.

June 18, 1903.

Economics and innovations are becoming the orders of the day in British railway enterprise. Steadily declining dividends and market values have been the cause of these things. Amongst the most recent improvements are the powerful express locomotives of the Atlantic type introduced by the Great Northern and the Northeastern Railways. The engine and tender weigh 105 tons, and the increase size of the boiler has necessitated the centre line being raised a distance of 8 feet 8½ inches above rail level. This brings the top of the boiler very near what is called the gauge limit, leaving only eighteen inches for the chimney and steam dome. In connection with this, it is well for Canadian readers to recollect that in the United Kingdom, tunnels and railway bridges are low as a rule, and that, therefore, our engineers have to observe this limitation in increasing the power of their locomotives.

Interminable are the discussions of reasons for the dullness in share buying and selling. The principal ones I have dealt with before now for the general inactivity, is now of two or three years standing. More prominently, however, there is now being discussed what one might call the small investor theory. Continental houses are kept going in dull times by thousands of small operations, where little punters have the way made easy for a quick profit or loss. Over here, the small speculator is not catered for, except by the very unattractive methods of the bucket shop. Consequently, a great area of possible business is left untapped. The potential small speculator is a growing class in all countries where modern industrial conditions prevail, and his prompt cultivation here would soon restore considerable activity to our markets—a consummation devoutly to be wished.

INSURANCE.

Very interesting and instructive was the annual meeting of the Royal Insurance Company, held this week. The shareholders were welcomed to the society's new premises in Liverpool, and everyone professed thorough enjoyment. On the business side, the chairman announced that the fire premiums amounted to a record sum.

The fire surplus of \$1,725,000 was due, he said, to the reduction in losses.

The records of fire companies already published, including the Royal, on being tabulated, establish the fact that the losses for 1902 show a reduction of 12½ per cent. on those for the previous year. The Royal's chairman commented upon this and added that he wanted neither shareholders nor clients to fall into the idea that the general prosperity last year was due to the increase of rates and that such rates were not justified.

They must not be too sanguine, he continued, that profits would continue in the same ratio, for the loss proportion varied from year to year far more than the premium rates. Already during the present year there have been many serious fires at home and abroad in which the Royal is concerned.

A case illustrated of the way British industrial assurance sometimes works out, has just been decided in the courts. Mrs. Stanley insures the life of her 16-year old son, in March, 1902—the amount payable at death being \$140. Apparently healthy at the time (but, of course, subjected to no medical examination), the lad soon fell ill and died two months after in hospital.

She experienced difficulty in getting the money from the company, but eventually her husband was seen, and induced to sign a document and accept \$50, the company telling him it was acting very handsomely. The boy had died from heart disease, and had suffered previously from St. Vitus' dance, scarlet fever, and rheumatic fever. The company's reason for not paying in full to the poor people was that material fact had been withheld. The judge decided that it was not so, and that the husband had no right to sign for the wife. The company therefore pays all costs and the balance of the money.

HAZARD AND INDEMNITY.—The Vermont Supreme Court holds that when an insured under an accident policy is killed while engaged in an occupation classed by the company as more hazardous than the one under which the policy was issued, the amount recoverable should be diminished. The occupation of "cattle shipper and tender in transit" was classed as more hazardous than that of "tender of horses in transit" under the policy issued by the Brotherhood Accident Company to Brock, the case under review, and reported in 54 Atl. Rep., 176.—"Assurance."

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